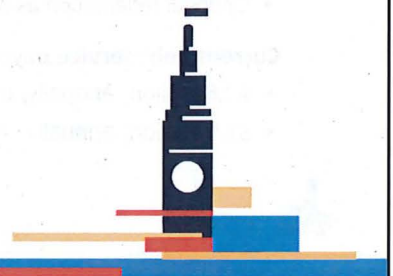


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PORT 2010 REVENUE BOND REFUNDING

Budget and Finance Committee
January 15, 2020



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2010 REVENUE BOND REFUNDING SUMMARY

- Port proposes to refinance \$29.87 million in outstanding 2010 revenue bonds
- Request authority to issue 2020 refunding bonds in an amount not to exceed \$27.00 million
- Achieves estimated \$11.7 million in interest savings
- Bond maturity dates remain the same
- Port Commission approved refunding in October 2019



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2010 REVENUE BOND REFUNDING BACKGROUND

Port issued \$36.65 million in revenue bonds in 2010

- Financed:
 - Construction of James R. Herman Cruise Terminal
 - Improvements to Piers 19, 23, 33, 30-32, 35 and 50

Two series

- Series A, Non AMT-Tax Exempt, maturing in 2040
- Series B, Taxable, maturing in 2030
- Optional redemption as of March 1, 2020

Current debt service payments

- \$2.8 million, annually, until 2030
- \$1.9 million, annually, 2031 – 2040



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OUTSTANDING PORT DEBT

Debt Issuance	Original Amount	Currently Outstanding
2010 Port Revenue Bonds	36,650,000	29,865,000
2013 COPs*	37,700,000	30,010,000
2014 Port Revenue Bonds	22,675,000	20,280,000
Hyde St. Harbor Cal Boating Loan	3,500,000	1,883,830
SBH Cal Boating Loan**	6,143,932	5,884,454
Total	106,668,932	87,923,284

* Issued by City and County of San Francisco on behalf of the Port. Port is responsible for repayment

** Debt assumed by the Port with April 30, 2019 acquisition of South Beach Harbor from OCII



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ESTIMATED ANNUAL DEBT SERVICE SAVINGS

	2010 Revenue Bonds	2020 Refunding Revenue Bonds	Reduced Debt Service	Estimated Savings
Average Coupon Rate	5.75%	4.27%		
Par Amount	29,865,000	23,525,000		
Avg Annual Debt Service 3/21 - 3/30	2,844,564	2,070,764	773,800	7,738,000
Avg Annual Debt Service 3/31 - 3/40	1,852,808	1,453,625	399,183	3,991,830
Total Estimated Debt Service Savings				11,729,830



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2010 REVENUE BOND REFUNDING PROPOSED BOND AND FINANCING STRUCTURE

- Not to exceed par amount
 - \$27.00 million
- Not to exceed interest rate (coupon rate)
 - 6%
- Final maturity
 - Series A, Non AMT-Tax Exempt, maturing March 1, 2040 (20 years)
 - Series B, Taxable, maturing March 1, 2030 (10 years)
- Percent savings of refunded bonds
 - 10% minimum
- Negotiated sale
- No debt service reserve fund



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ESTIMATED REFUNDING SOURCES AND USES



<u>Sources of Funds</u>	
Bond Proceeds	
Par Amount	24,195,468
Premium Received	<u>2,936,469</u>
<i>Bond Proceeds – Total</i>	<i>27,131,937</i>
Prior Issue – Debt Service Reserve Fund	2,846,927
Prior Issue – 3/1/2020 Debt Service Payment	<u>1,920,024</u>
Total Sources	31,898,888
<u>Uses of Funds</u>	
Deposit into Escrow Account	30,849,669
Cost of Issuance	306,041
Underwriter's Discount	117,710
Reserve for Market Uncertainty	625,468
Total Uses	31,898,888

2010 REVENUE BOND REFUNDING FINANCING DOCUMENTS

- Third Supplement to Indenture of Trust
- Bond Purchase Agreement
- Preliminary Official Statement
- Continuing Disclosure Certificate
- Escrow Agreements (one for each series of 2010 Bonds refunded)



2010 REVENUE BOND REFUNDING STEPS

October 22, 2019
Port Commission Approved Refunding

October 2019
Introduced Bond Documents and Appropriation Ordinance to Board of Supervisors

December 2019
Rating Agency Meetings

January 15, 2020
Budget and Finance Committee Meeting

January - February 2020
Board of Supervisors' Approval of Sale Resolution and Supplemental Appropriation Ordinance

February 2020
Post Preliminary Official Statement

February 2020
Pricing of 2020 Refunding Bonds

February 2020
Sale of 2020 Refunding Bonds and Closing

March 1, 2020
Repayment of All Outstanding 2010 Bonds



QUESTIONS?

